

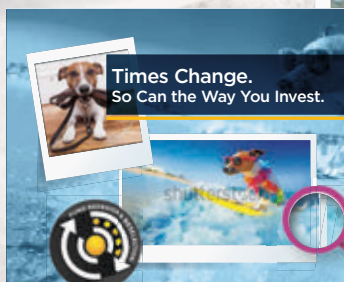


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SPECIAL EDITION

The Future is Bright for Savings Plus.

This issue previews what's ahead with Savings Plus' Redesign and Reselection Initiative coming April 1, 2020.



Savings Plus Redesign and
Reselection Initiative
See inside for important information and key dates.



Be on the lookout for the ***Times Change. So Can the Way You Invest.*** brochure that will be sent to you in February. This brochure will provide important information about your options and key dates that you should be aware of during the Fund Redesign and Reselection Initiative.



Your window of opportunity is opening soon.

We want you to be informed and confident about saving for your future. The Savings Plus Fund Redesign and Reselection Initiative begins April 1, 2020 and it will help you build a portfolio that meets your needs throughout each stage of your life. In our last issue, we introduced our new streamlined investment fund lineup and additional customization to our Target Date Funds (TDFs).

To transition to our new investment fund lineup, we are introducing a Reselection Window. During the Reselection Window, you will have the opportunity to make your own investment selections from our new investment fund lineup, or you can choose to do nothing. If you choose to do nothing, your current account balance and future contributions will automatically be invested into the TDF that most closely aligns with the year you turn age 65 (see chart on page 3). The Reselection Window will open on **April 1, 2020** at 12 a.m. PT and close on **May 22, 2020** at 1 p.m. PT. Once the Reselection Window closes a Blackout Period will begin to implement the changes resulting from the Fund Redesign and Reselection Initiative.

Be sure to review the *Times Change. So Can the Way You Invest.* brochure that will be sent to you in February. This brochure will explain what will happen and how you can take action, if you choose to do so. Visit savingsplusnow.com to review a list of frequently asked questions (FAQs).

Understanding fees.

Savings Plus investment funds are constructed using one or more underlying investment strategies to achieve optimal diversification. These details are available in the **Strategy** and **Investment Manager** sections of each Fund Fact Sheet. Investment managers are selected through a competitive bid process that results in a contracted fee structure. The fee structure for each manager listed on the Fund Fact Sheet is combined to calculate the estimated fee for the fund.

Investment manager fees can be a flat-rate, but more often consists of a tiered fee structure based on the amount of Plan assets that are invested with the manager. Under a tiered fee structure, the fee rate becomes lower when the amount of total Plan assets invested reaches a certain amount. For investment options with this type of fee structure, the actual fees that will apply cannot be determined until participants have made their investment selections and the Fund Redesign and Reselection process is complete. Because actual fees for the new funds cannot be determined yet, expense ratio information on the interim fact sheets is based on the highest fee rate that could apply under the contracted fee structure for each fund, although Savings Plus anticipates that actual fee rates will be lower.

The actual fee rates for the new investment fund lineup will be included in the second quarter 2020 (Q2-20) Fund Fact Sheets available online in July 2020. At that time, participants will also have access to each investment option's performance history and the associated benchmarks for each investment fund in the new lineup. Each Savings Plus investment option's performance is measured on a net-of-fee basis. This means that earnings and losses are reported after fees have been deducted. The interim Fund Facts Sheet for the new investment funds are located on the *Times Change. So Can the Way You Invest.* webpage at savingsplusnow.com.

Important dates and opportunities for action.



Wed. April 1, 2020, 12:01 AM PT

Reselection Window opens.

You can access your account and select from our redesigned fund lineup.



Fri. May 22, 2020, 1:00 PM PT

Reselection Window closes and Blackout Period begins.

You should review your account for any changes you might want to make before the blackout period.

During this period, you won't be able to update your account, take a distribution or a loan, or perform any other transactions. Refer to the Blackout Section on page 3 for more information.



Thu. May 28, 2020, 1:00 PM PT

Blackout Period is anticipated to end.

You will once again have full access to your Savings Plus account, including moving your assets in or out of your current investments and making changes to your account as you normally would. The date listed for the end of the Blackout Period is an estimate only and should not be considered a guarantee for any purpose.

What do you need to do? The choice is yours.

If you choose to do nothing, your current account balance and future contributions will automatically be invested into the TDF that most closely aligns with the year you turn age 65 (the new qualified default investment alternative).

The Reselection Window is your opportunity to choose how you want your current account balance and your future contributions invested in the new investment fund lineup. The tools and options featured below are available to make this process as easy as possible for you.

Do It For Me.



Investors who prefer a less hands-on investing experience, may choose a **TDF**. These portfolios are designed by professional investment consultants based on California State employee demographics to help you replace a higher percentage of your income during your retirement years while retaining a balanced risk exposure. Savings Plus maintains the TDFs as a “default investment” for participants who do not, or who choose not to make an investment election for themselves.

If you were born between...	Corresponding Target Date Fund
Prior to 1948	Target Date Fund-Income
1953 - 1957	Target Date Fund-2020
1963 - 1967	Target Date Fund-2030
1973 - 1977	Target Date Fund-2040
1983 - 1987	Target Date Fund-2050
1993 - 1997	Target Date Fund-2060

Do It Myself.



Investors may choose to build and manage a customized portfolio with Savings Plus' core investment funds that cover a broad range of asset classes with different risk/reward potential. **My Investment Planner**, a free online asset allocation tool is also available to provide guidance on the core investment funds that may be right for you. This free online tool is offered and maintained through Nationwide in partnership with Wilshire Associates. Once your investment strategy is in place you can use the automatic rebalance feature to keep investments in line with your goals.

Investors may also choose to invest through the **Schwab Personal Choice Retirement Account (PCRA)**, a self-directed brokerage option. The PCRA provides greater flexibility by allowing you the freedom to select and manage your portfolio from a much larger array of investments including individual stocks, bonds, ETFs, and a variety of other options including index funds. You are required to maintain a minimum balance in your core account equal to the lesser of 50% of your account balance or \$2,500.

Schwab recently eliminated commission fees across all mobile and web trading channels for stocks, ETFs, and options listed on U.S. or Canadian exchanges, increasing your access to investment funds without incurring a commission fee.

Manage It For Me.



Investors who want a less hands-on investing experience may choose **Nationwide ProAccount**, a fee-based, professionally managed account service. With Nationwide ProAccount, your portfolio is developed using the core investment funds available through Savings Plus for an additional fee. The specific funds and the allocations to each fund are determined by your age and risk tolerance. Refer to the website for details including associated fees.

What you can expect during the Blackout Period

A Blackout Period will be put in effect to implement the changes resulting from the Fund Redesign and Reselection Initiative. The Blackout Period will begin on Friday, **May 22, 2020** at 1 p.m. PT, and is anticipated to end on Thursday, **May 28, 2020** at 1 p.m. PT. During this period, you will be able to view your account; however, you won't be able to update your account, take a distribution or a loan, or perform any other transactions. Transactions must be requested prior to May 22, 2020 at 1 p.m. PT. If you have a PCRA account, you will be able to complete trades in your PCRA account through the Schwab website. However, any requests to move funds from your PCRA to your core account must be made by Thursday, May 21, 2020 at 1 p.m. PT. The **Times Change. So Can the Way You Invest.** brochure will include additional information about the Blackout Period and how it may impact you.



2020 contribution limits.

Understanding the IRS annual contribution limit is important, especially when your goal is to contribute the maximum amount to your account. Even if you can not contribute the maximum amount, increasing your contribution a little each year can help you move closer to your retirement goals. The annual contribution limits for 2020 increased to:

	Maximum contribution limit	Contribution limit plus Age-Based Catch-Up	Traditional 457(b) Catch-Up contribution limit ¹
This year, if you	...less than age 50	...at least age 50	...3 years or less from your normal retirement age ² (use Age-Based Catch-Up)
401(k) Pre-tax/ 401(k) Roth	\$19,500	\$26,000	\$26,000
457(b) Pre-tax/ 457(b) Roth	\$19,500	\$26,000	\$39,000
TOTAL	\$39,000	\$52,000	\$65,000

*Traditional Catch-Up Deferrals are only available in the 457(b) plan.

Contact us at (855) 616-4776 or savingsplusnow.com for help changing your contributions.

Look for your Form 1099-R.

If you received a distribution in 2019, Nationwide will mail your IRS Form 1099-R by January 31, 2020. If you are enrolled in Paperless Delivery, you'll receive an email when the form is available to download.

View more information on savingsplusnow.com.

Let your voice be counted.



Census 2020 is safe, confidential & helps create a better life for all Californians. It matters because we matter!

By completing the 2020 Census form, you can help ensure your community gets resources to:

- Build better roads and schools
- Fund community programs for seniors, children and families
- Create jobs
- Improve housing

Visit CaliforniaCensus.org.

Be on the lookout for **Fund Redesign and Reselection** webinars around the state. Check savingsplusnow.com for the latest times, dates and locations.

Please refer to the Schwab Personal Choice Retirement Account (PCRA) for a summary of your plan-specific commissions and transaction fees for trade orders placed in your Schwab PCRA or contact PCRA Schwab at 888-393-7272.

Nationwide Investment Advisors LLC (NIA) provides investment advice to plan participants enrolled in Nationwide ProAccount. NIA is an SEC-registered investment adviser and a Nationwide affiliate. NIA assesses participants an asset-based fee for the managed account services. Retirement products are offered by Nationwide Trust Company, FSB or Nationwide Life Insurance Company.

Target Date Funds invest in a wide variety of underlying investment options to help reduce investment risk. Their expense ratio represents a weighted average of the expense ratios and any fees charged by the underlying investment options in which the Funds invest. The Funds do not charge any expense or fees of their own. Like other funds, target date funds are subject to market risk and loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement or that asset allocation, diversification or any investment strategy will assure a profit or avoid losses.

Savings Plus representatives are Registered Representatives of Nationwide Investment Services Corporation (NISC), member FINRA. Neither Nationwide nor its Savings Plus representatives can offer investment, tax or legal advice. Consult your own counsel before making retirement plan decisions.

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Contact Information

Website
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Service Center**
(855) 616-4776
(800) 848-0833 (TTY)
5 a.m. - 8 p.m. PT

**Savings Plus
Walk-in Center**
1810 16th St., Room 108
Sacramento, CA 95811
8 a.m. - 5 p.m. PT
Monday-Friday



Investing involves market risk, including possible loss of principal. No investment strategy or program - including asset allocation and diversification - can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Before investing, carefully consider the fund's investment objectives, risks, charges, redemption fees, and expenses. You may download Fund Fact Sheets from savingsplusnow.com or request them by contacting us at (855) 616-4776.